

STATEMENT OF CONSIDERATIONS

Request by the New Mexico State University for a Class Waiver to Large Businesses of Domestic and Foreign Patent Rights to Inventions Made by Said Businesses under Contract DE-FC04-90AL63805 between the University and the U.S. Department of Energy. Docket No.: W(C)94-004.

The New Mexico State University (NMSU) has requested, on behalf of large business subcontractors, a class waiver of domestic and foreign patent rights to inventions that may be made by these subcontractors under future funding agreements or other arrangements at any tier that will be entered into in the course of performing the work required by the above identified contract.

Contract DE-FC04-90AL63805 was entered into by the U. S. Department of Energy (DOE) to create and fund a pilot program for the development of an educational research center (WERC) devoted to the management of radioactive, hazardous, and solid waste. This Center, located on the NMSU campus, is currently funded by DOE and by the State of New Mexico according to an arrangement that will continue for several more years. After that time, it is contemplated that some of the Center's work will continue through funding agreements partly financed by any business that may be interested in its programs.

Unlike small businesses and nonprofit institutions, large businesses who participate in these programs will not have the right to retain title to the inventions that they make under a contract. The patent rights of said large business are determined by application of 10 CFR Part 784. While these regulations allow large businesses to request waivers of government rights to the inventions that they make, it is believed by NMSU that a contract by contract or invention by invention approach to petitioning for said rights will create a perception of unpredictability in intellectual property rights which may discourage large business participants.


NMSU suggests that the grant of the requested waiver would encourage large businesses to participate in and to share the costs of various programs of the Center by placing such businesses in a position analogous to entities entering into Cooperative Research and Development Agreements with the national laboratories, as is now possible under the National Competitiveness Technology Transfer Act of 1989. (Public Law 101-189)

In the event that an advance class waiver is granted, the beneficiaries of the waiver will have to participate substantially in the contract funding, by providing at least 20% of the funds as is generally required for advance waivers under the 10 CFR regulations. In this respect, NMSU contemplates that its subcontractors will cost share to the extent of 50% in the contracts within the pilot program. They will also have to comply with the terms and

conditions set out in 10 CFR Part 784 and with the requirements of 35 USC 202(c)(4), 203, and 204. Materials and data resulting from the performance of their contract may be subject to export control laws and, consequently, the contractors will have to acknowledge their responsibility to comply with these laws. Furthermore, as a condition of the waiver, the contractors will have to agree that any products embodying any waived invention or made through the use of a waived invention will be manufactured substantially in the United States, unless the contractor can show to the satisfaction of the DOE Contracting Officer that it is not commercially feasible to do so. Finally, the beneficiaries will have to agree to make the above listed conditions binding on any assignee, or licensee, or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Upon being notified by a contractor that it elects to retain title to an invention, the facility patent counsel will determine eligibility and compliance by the contractor under and with the waiver conditions.

It is expected that any large business that enters into a contract of the type discussed with NMSU and that agrees to the terms and conditions just enumerated will be likely to commercialize and use the inventions made under such contract in a manner fully congruent with all statutes, regulations, and policies on technology transfer and industrial competitiveness. DOE is funding the Center and its programs to address a pressing need for involving industry in environmental restoration and waste management and to create a work force that can do this successfully. The class waiver should encourage potential contractors to participate in the Center's programs, hopefully in such numbers that will make the WERC project self-sufficient. This will also ensure that the benefits to be derived from said programs will be made available to the public in the shortest practicable time.

Accordingly, in view of the above, and in view of the objectives and considerations of 10 CFR Part 784, all of which have been considered, it is recommended that a class advance waiver of domestic and foreign patent rights be granted to the large business subcontractors of NMSU participating in the above-identified DOE pilot program.

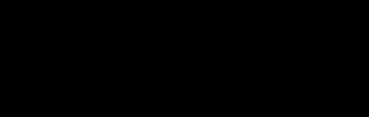


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Date March 28, 1997

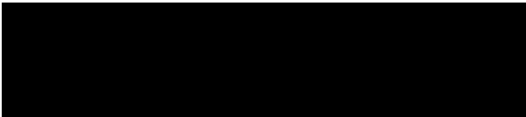
Based on the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will be best served by waiver of United States and foreign patent rights as set forth herein and, therefore, the waiver is granted.

CONCURRENCE:


Randal S. Scott
Deputy Assistant Secretary
Office of the Deputy Assistant Secretary
for Management & Evaluation
EM-10, Environmental Management

Date: 4/15/97

APPROVAL:


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and Intellectual Property, GC-62 HQ

Date 4-21-97

WAIVER ACTION - ABSTRACT

DOCKET NO.

W(C)94-004

REQUESTER

New Mexico
State University

CONTRACT SCOPE OF WORK

Development of an education
research center for the
management of waste

RATIONALE FOR DECISION

This waiver will encourage
large business subcon-
tractor to participate in
program and share costs.